



Performance Management

The Personnel System Reform Act presents the opportunity to create a new human resource system that will help build and sustain a performance-based culture in state government. This requires the development of a strong performance management system at the individual employee level that will, in turn, support performance management at the organizational level. New rules have been developed for performance management in Chapter 357-37 WAC.

What is performance management? What does it look like in an organization?

Performance management is an ongoing process of creating and sustaining a workplace environment where both an organization and its staff succeed in fulfilling business objectives. Performance management aligns individual performance with the organization's mission, vision and values.

Following are some common characteristics of organizations where there is a performance-based culture:

- High percentage of performance appraisals completed
- Clear linkage between employees' jobs and the organization's mission
- Investment of dollars and time in training and development activities
- Open sharing of performance measures
- Reward differentiation between high and low performers
- Consistent recognition of good performance

How is this different than employee performance management now?

Many state agencies and institutions have elements of performance management in place now. New rules, resources, and tools are being made available by the Department of Personnel (DOP) to help organizations build and fine tune their systems. As these processes and tools are implemented across organizations, how new or different it feels to employees will vary, depending on their organization's current approach and culture. A significant change will take place if an organization chooses to link personnel decisions to performance (see below). This can be only done after receiving approval from the DOP and is subject to collective bargaining.

What are agencies and institutions required to do?

Agencies and institutions are required to develop and implement a performance management process that meets the objectives outlined in WAC 357-37-020. They must also develop a performance management policy that documents the key points of the process. Employers must provide performance feedback to employees, using a standardized form and process (unless an alternative form is approved by the DOP director). In addition, employers must provide probationary and permanent employees whose work performance is determined to be unsatisfactory with written notice of the deficiency(ies).

Can agencies and institutions use performance management to pay employees differently?

Agencies and institutions may choose to tie personnel decisions such as compensation to employee performance. To do this, organizations must undergo a review of their individual performance management practices and receive “performance management confirmation” from the director of the Department of Personnel. Specific performance-based pay practices available and requiring such confirmation are:

- Accelerated increment increases within the salary range (WAC 357-28-075)
- Deferred increment increases for performance that is less than satisfactory (WAC 357-28-075)
- Performance-based recognition pay: (WAC 357-28-295)
 - Lump sum recognition
 - Goalsharing
 - Gainsharing

Performance-based personnel decisions are subject to collective bargaining agreements.

What are some of the benefits of performance management?

In an effective performance management system, the overall strategic plan is cascaded down so that, ultimately, there is a clear path connecting each employee’s job to that plan. Thus it links the organization’s objectives with employee goals and achievements. Employees know how their work contributes to the success of the organization. They also know what is expected of them, how they are doing, what’s working well, and what needs improvement. When performance management is done well in organizations, employees are more satisfied, turnover decreases, and productivity increases.

What role do employees have in performance management?

To be done well, performance management must be a shared responsibility of employees and managers. Employees are responsible for seeking clarification when needed so they understand what’s expected of them and for performing the work in a way that meets expectations. Employees are also responsible for participating in the performance evaluation process and for communicating successes and problems to supervisors so the supervisor can better measure progress and provide assistance where needed. Employees’ responsibilities for performance management are outlined in WAC 357-37-025.

What tools and resources are available to assist agencies and institutions?

A number of new tools and resources are available for agencies and institutions in their development of performance management systems.

- The new Performance and Development Plan (PDP) replaces the existing evaluation forms for both employees and managers. The PDP places greater emphasis on performance and development planning.
- Performance management related training is available from the Department of Personnel.
- On-line resources will be coming soon, including a PDP User’s Guide and a Performance Management Confirmation Guide.
- Performance management consulting is available through DOP’s Client Service Managers.